

The **Fair Debt Collection Practices Act** is a federal statute that curtails unfair, abusive, or outrageous practices and tactics by collection agencies.

**WHAT DEBTS ARE COVERED?**

Personal, family, and household debts are covered under the Act. This includes money owed for the purchase of an automobile, for medical care, or for charge accounts.

**WHO IS A DEBT COLLECTOR?**

A debt collector is any person, other than the creditor, who regularly collects debts owed to others.

A creditor who, collecting from his/her own debtors, uses a name other than his/her own.

An attorney who collects debts on a regular basis.

Not all debt collectors are subject to the Act . **It does not apply to banks, other lenders, or businesses that collect their own accounts using their own names, nor does it cover them when they collect an isolated debt for another.**

**HOW MAY A DEBT COLLECTOR CONTACT YOU?**

A debt collector may contact you in person, by mail, telephone, telegram, or FAX.

A collector may **NOT** contact a debtor:

- before 8 a.m. or after 9 p.m.;
- at inconvenient or unreasonable places;
- at a place of employment if it is known the employer prohibits such contact;
- if an attorney is known to represent the debtor, the attorney should be contacted instead.

**CAN YOU STOP A DEBT COLLECTOR FROM CONTACTING YOU?**

You may stop a collector from contacting you by writing a letter to the collection agency telling them to cease all

communications with you and that you will deal with the creditor directly. The letter should be sent by certified mail with a return receipt requested. Remember to keep a copy of the letter.

Once the agency receives your letter, they may not contact you again except to say there will be no further contact. Another exception is that the agency may notify you if the debt collector or the creditor intends to take some specific action. Ceasing contact does not preclude a lawsuit.

**MAY A DEBT COLLECTOR CONTACT ANY OTHER PERSON CONCERNING YOUR DEBT?**

A debt collector may contact a person other than the debtor only to discover or verify the debtor's location. The collector must:

- identify himself, but he must identify his employer only if expressly requested to do so;
- not reveal the consumer's indebtedness to anyone other than the debtor or his/her attorney;
- not use a post card or in any way reveal debt collection activity.

**VALIDATING THE DEBT**

Within five days after contacting a debtor about paying a debt, the collector must send a written notice that includes:

- the name of the creditor and the amount of debt;
- that the debt will be assumed to be valid unless disputed within 30 days; if disputed, the collector will verify it and send a copy of the verification or of a judgment against the consumer.

During a period when a debt is being verified, the collector may not attempt to obtain payment.

**DEBT COLLECTION PRACTICES THAT ARE PROHIBITED**

**Harassment...** Debt collectors may not harass, oppress, or abuse any person; **they may not:**

- ◆ use threats of violence or harm against the person, property, or reputation;
- ◆ publish a list of consumers who refuse to pay their debts, except to a credit bureau or advertise the debt;
- ◆ use obscene or profane language;
- ◆ repeatedly use the telephone to annoy someone;
- ◆ telephone people without identifying themselves.

**False statements...** Debt collectors may not use any false statements when collecting a debt; they may not:

- ◆ use false, deceptive or misleading representations as to their identity, such as falsely implying they are attorneys or government representatives;
- ◆ falsely imply that you have committed a crime or state that you will be arrested if you do not pay your debt;
- ◆ misrepresent the amount of your debt;
- ◆ misrepresent the involvement of an attorney in collecting a debt;
- ◆ indicate that papers being sent to you are legal forms when they are not or indicate that papers being sent to you are not legal forms when they are;
- ◆ state that they will seize, garnish, attach, or sell your property or wages unless they or the creditor intends to do so and it is legal to do so;
- ◆ give false credit information about you to anyone.

**Unfair Practices...** Debt collectors may not engage in unfair practices such as:

- ◆ collect any amount greater than your debt, unless allowed by law;
- ◆ make you accept collect calls or pay for telegrams;
- ◆ deposit a post-dated check prematurely.

If you are in Indiana and have a complaint against a Collection Agency, contact:  
Collection Agency Division, Secretary of State  
Indianapolis, IN 46204  
800-223-8791, 317-232-6684.



The Indiana Department of Financial Institutions,  
Division of Consumer Credit has many other credit  
related brochures available, such as:

Answers to Credit Problems  
Applying for Credit  
At Home Shopping Rights  
Bankruptcy Facts  
Buried in Debt  
Car Financing Scams  
Charge Card Fraud  
Choosing A Credit Card  
Co-Signing  
Credit and Divorce  
Credit and Older Consumers  
Deep in Debt?  
Equal Credit Opportunity  
Fair Credit Reporting  
Gold Cards  
Hang up on Fraud  
High Rate Mortgages  
Home Equity Credit Lines  
How to Avoid Bankruptcy  
Indiana Uniform Consumer Credit Code  
Look Before you Lease  
Mortgage Loans  
Repossession  
Reverse Mortgage Loans  
Rule of 78s – What is it?  
Scoring for Credit  
Shopping for Credit  
Using Credit Cards  
Variable Rate Credit  
What is a Budget?  
What is the DFI?

Call our toll-free number or write to the address on the  
cover for a copy of any of the brochures listed or for  
further consumer credit information.



DEPARTMENT OF FINANCIAL INSTITUTIONS  
Consumer Credit Division  
30 South Meridian Street, Suite 300  
Indianapolis, Indiana 46204

# FAIR DEBT COLLECTION



## DEPARTMENT OF FINANCIAL INSTITUTIONS

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